**If it were that easy everyone would do it!**

This session is all about debunking the most common myths we hear from aspiring entrepreneurs and identifying those very real factors that contribute to business failures. Share more with your team about the challenges you’ve faced in setting expectations, responding to unrealistic business aspirations, and keeping small businesses on track for success and longevity.

* What are some big or common small business myths you’ve encountered?
* What small business owner beliefs or behaviors get in the way of success?
* What are the biggest (external) issues negatively impacting MN based businesses today?
* What are the most common weaknesses or shortfalls (internal) small business owners face today?
* What would you say are common reasons MN based businesses fail?
* Why do SBDC clients have a higher-than-average success rate?

**Myths About Small Business Success:**

1. Mailbox Money: Belief that revenue will continuously flow in without active effort.
2. Guaranteed Success: Equating having clients or patients with assured financial success.
3. DIY Approach: Thinking they can do everything themselves without outsourcing.
4. Special Product Myth: Belief that their product or idea is uniquely different.
5. Build It, They Will Come: Assuming customers will come automatically.
6. LLC Misconceptions: Believing LLC offers unlimited protection.
7. Ego and Independence: Belief that being good at a job translates to business success.
8. Technology Aversion: Not embracing technology for smarter work practices.
9. No Plan Needed: Thinking a business plan isn’t necessary.

**Behaviors Hindering Success:**

1. Ignoring Shortcomings: Not hiring for their weaknesses.
2. Undervaluing Themselves: Not recognizing the value of their time and effort.
3. Overly Optimistic Projections: Having unrealistic financial projections.
4. Advice from Wrong Sources: Taking bad advice.
5. Not Leveraging Data: Relying on gut feelings instead of data.

**External Issues Affecting MN Businesses:**

1. Workforce Challenges: High wages and scarcity of labor.
2. Inflation: Need to adjust prices accordingly.
3. Interest Rates: Higher costs than anticipated.
4. Competition: Unprepared for online business competitors.
5. Regulations and Fees: More extensive and costly than expected.
6. Personal Issues: External personal issues like death, drugs, divorce affecting business.

**Internal Weaknesses:**

1. Financial Mismanagement: Lack of good accounting and financial planning.
2. Disorganization: Poor planning and organization.
3. Lack of Resiliency: Enthusiasm wanes after the business opens.
4. Unrealistic Expectations: Overly optimistic about business success.
5. Lack of Trust and Adaptability: Not taking professional advice, unwilling to change.

**Common Reasons for MN Business Failures:**

1. Lack of Capital: Insufficient funding to sustain operations.
2. Poor Planning: No business plan or unrealistic planning.
3. Inadequate Financial Understanding: Mismanagement of finances.
4. Failure to Adapt: Not leveraging technology or embracing new practices.
5. Pride and Ego: Only doing what they like, not what’s needed.
6. Lack of Professional Help: Not seeking coaching, mentoring, or professional advice.

**Why SBDC Clients Succeed More Often:**

1. Access to Resources: Support and resources provided by SBDC.
2. Expert Guidance: Professional advice and coaching.
3. Realistic Planning: Encouragement to create and follow realistic business plans.
4. Ongoing Support: Continuous support to navigate challenges and adapt to changes.

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**Give a Dog a Good Name (and he’ll live up to it)**

In this session, we'll delve into crafting positive identities for challenging clients, motivating them to make exceptional efforts and enhancing collaboration. We'll focus on defining two client personas—one for the ideal client and one for challenging clients. The outcome will be transformed into a valuable tool for setting expectations, dispelling bad habits, and paving the way for successful outcomes.

* Define the behaviors and characteristics of an IDEAL client?
* Define the behaviors and characteristics of a DIFFICULT client?
* How do you deal with those difficult client behaviors and characteristics?
* As an SBDC consultant, how can you teach a client to be a good/ideal client (perhaps without them even knowing)?

**Attributes of an Ideal Client**

* Commitment and Reliability:
  + Shows up for scheduled meetings on time.
  + Completes assigned homework and tasks.
  + Follows up on agreed-upon actions.
* Openness and Coachability:
  + Open to feedback and constructive criticism.
  + Willing to have a mentor and be coached.
  + Admits mistakes and is willing to learn.
* Experience and Preparedness:
  + Has business experience and industry knowledge.
  + Comes prepared with clear ideas and specific asks for help.
  + Realistic and strategic with a backup plan.
* Attitude and Work Ethic:
  + Positive attitude and appreciates the help.
  + Good work ethic and diligent.
  + Solution-focused with a growth mindset.
* Financial Literacy and Responsibility:
  + Has good personal credit and fiscal education.
  + Not solely seeking free money or grants; creative in finding funding sources.
  + Manages money well.
* Professionalism and Respect:
  + Understands the difference between passion and professionalism.
  + Considers SBDC consultants as advisors, not doers.
  + Respectful of the consultant’s time and considerate.

**Indicators of a Difficult Client**

* Unreliability and Lack of Preparation:
  + Doesn’t show up for scheduled appointments.
  + Comes unprepared and doesn’t complete tasks.
* Negative Attitude and Unrealistic Expectations:
  + Negative mentality with a victim mindset.
  + Unrealistic expectations and overly dramatic.
* Resistance to Feedback:
  + Doesn’t take feedback well and acts like a know-it-all.
  + Denies data and ignores factual information.
* Dependence and Entitlement:
  + Wants others to do all the work.
  + Seeks free money and grants without contributing effort.
* Financial and Legal Issues:
  + Poor money management and bad credit.
  + May have a criminal background.
* Professionalism Issues:
  + Overly combative, sensitive, and difficult to work with.
  + Uses inappropriate language and is demanding.

**Strategies for Training Clients to Be Ideal Clients**

* Setting Clear Expectations:
  + Set clear expectations early on, starting from the first meeting.
  + Provide a to-do list with deadlines and follow up on agreed actions.
* Providing Guidance and Support:
  + Assign homework and give reminders.
  + Make detailed Neoserra notes and document issues.
  + Mentor clients and maintain good momentum.
* Engaging and Motivating Clients:
  + Take field trips to their business for context.
  + Send clear follow-up emails with action items.
  + Instill a healthy sense of reality to motivate effort.
* Building Relationships and Trust:
  + Listen to clients and be prepared to follow up.
  + Set deadlines to encourage responsibility.
  + Build trust through consistent and supportive communication.

By clearly defining and understanding the behaviors and characteristics of ideal and difficult clients, SBDC consultants can tailor their approach to foster positive client relationships. Implementing these strategies will help train clients to become more reliable, prepared, and coachable, ultimately leading to more successful outcomes for both clients and consultants.

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**What are you going to do with it when you’re done with it?**

Some call it legacy planning, others call it succession and transition planning. Whatever you call it, we want to help our clients figure out what they’re going to do with it when they’re done with it, their small business that is. It’s hard to get entrepreneurs thinking about this when they don’t even know if their idea is going to turn into a business, but it’s our job to ask the question and plant the seed. So let’s talk about this, in this session we’ll collect our best methods of planting that seed early to get our clients thinking about this sooner, so when they’re ready, their business is ready too.

* How do you get clients to think about this, what questions do you ask, a client that’s 0-3 years in business?
* What tools, resources, or templates do you use to help an early stage business with legacy planning (at least 5+ years away from the finish line)?
* What are the biggest or most common myths you’ve encountered related to business succession and ownership transition?
* What are the most likely culprits that prevent a business ownership transition, in other words what are businesses doing wrong?
* What are the most common deal-breakers when selling a business?

**Myths about Business Succession and Transition**

* Financial Myths:
  + Banks will finance the whole buyout.
  + Owners assume they can complete succession planning in 3 years or less.
  + Owners judge the business value based on retirement needs, not actual value.
  + Assumption that the business is worth more than it was purchased for.
* Cultural and Emotional Myths:
  + It’s taboo to talk about selling the business.
  + Avoiding potential buyers due to fear.
  + Belief that discussing succession will damage the business's reputation.

**Common Deal Breakers**

* Financial Barriers:
  + Businesses not supporting new debt service.
  + Lack of profit shown in business operations.
  + Excessive blue sky (intangible value) without sufficient assets.
  + Poor bookkeeping and expired purchase agreements.
  + Convertible equity or triggering events affecting ownership structure.
* Operational Barriers:
  + Absence of institutional operating manuals.
  + Lack of reinvestment in the business.
  + Bad business habits and practices.
  + Business not paying taxes or showing profitability.
* Succession Issues:
  + Key employees leaving or something happening to them.
  + Sellers unwilling to finance blue sky.
  + Unrealistic valuations and lack of understanding of the business worth.

**Realities of Business Transition**

* Financial Realities:
  + Seller financing of blue sky is often necessary.
  + Difficulty in valuing goodwill or blue sky.
  + Need for creative financing, including owner/seller financing options.
* Operational Realities:
  + Importance of showing year-over-year profitability in tax records.
  + Protecting intellectual property.
  + Maintaining good bookkeeping practices.
  + Ensuring the business cash flows for the buyer.
  + Having a contingency plan for unexpected events.
* Planning Realities:
  + ESOP (Employee Stock Ownership Plan) can be effective for gradual transition.
  + Identifying key employees to take over, planned well in advance.
  + Defined succession plans are critical.
  + Sellers need to be public about the business being for sale to attract buyers.
  + Community acceptance of the new buyer is important.

**Best Practices for Succession Planning**

* Early Considerations:
  + Include exit strategy in the initial business plan.
  + Consultants should initiate succession planning discussions early.
* Educational Tools:
  + Provide real-life examples to clients.
  + Use a structured legacy planning model (ready, set, action) with tangible steps.
* Discipline and Preparation:
  + Encourage disciplined business practices even during good times.
  + Discuss potential hard situations such as death, divorce, or partner exit.
* Practical Tools:
  + Develop an SBDC checklist of questions for potential sellers to value the business.
  + Educate on the skills needed to be a successor or to buy a business.
  + Emphasize the importance of preparing tax records and showing profitability.

This summary encapsulates the key insights and practical strategies for effective business succession and transition planning, providing a roadmap for entrepreneurs and consultants to ensure successful legacy planning.

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**Shoestring Budget Solutions for Small Businesses**

With so many tools on the market that can benefit small businesses helping them to be stronger, faster, or more efficient… where do you even start?!?! Let’s start by making a list of all those tools that we can vouch for, that are approachable to a small business on a shoestring budget. We’ll organize these tools by their purpose so that we can build a library of free and low-cost tools for small business. Share what tools you or your clients have used with your group, and what outcomes it helped you to achieve.

* Accounting, bookkeeping & Finance
* Scheduling & Time Management
* Sales, Customer Service & Customer Relationship Management (CRM)
* Messaging & Internal Communication
* Strategy & Project Management
* Marketing and Social Media
* IT & Cybersecurity
* Human Resources & Administration
* Management & Operations
* Office Suite
* Other

|  |  |  |
| --- | --- | --- |
| **Organnization/Company Name** | **Purpose** | **Web Address** |
| Meeting |  |  |
| Microsoft Team Meeting | Team/Clients meeting | Microsoft 365 |
| Google Meet | Team/Clients meeting | <https://workspace.google.com/> |
| Zoom (45 min free) | Team/Clients meeting | <https://zoom.us/> |
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| Productivity Tools |  |  |
| Google Workspace | Productivity tools for small business, startup business. Fours different types of plans. | <https://workspace.google.com/> |
| Microsoft 365 Business | Fours different typs of plans/per user | <https://www.microsoft.com/en-us/microsoft-365/business/compare-all-microsoft-365-business-products-no-teams> |
| Microsoft 365 Home | Family or Personal Plan | <https://www.microsoft.com/en-us/microsoft-365/buy/compare-all-microsoft-365-products> |
| Trello (Depends on plan, basic is free) | Task/Project management | <https://trello.com/home> |
|  |  |  |
| Accounting/Bookeeping |  |  |
| Wave (Free -- Fee) | Accounting, bookeeping, invoices etc | <https://www.waveapps.com/> |
| Quickbooks | Three different plans (monthly subcription) | <https://quickbooks.intuit.com/> |
| Quicken | Cheaper than Quickbooks | <https://www.quicken.com/> |
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| Website Builder |  |  |
| Go Daddy | Build website for free (pay when publish) | https://www.godaddy.com/ |
| Wix | Build website for free (pay when publish) | <https://www.wix.com/> |
| Squarespace | Build website for free (pay when publish) | <https://www.squarespace.com/> |
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| Cyber Security |  |  |
| Norton Anti Virus |  | <https://us.norton.com/> |
| Google Password manager |  | <https://passwords.google.com/?pli=1> |
| Avast (Free on basic service) |  | <https://www.avast.com/> |
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| Marketing Tools |  |  |
| Hubspot Foundations tools (Free) | Tool for marketing, sales | <https://www.hubspot.com/> |
| Mailchimp | CRM marketing software | https://mailchimp.com/ |
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| Other |  |  |
| Google Business Listing |  | <https://www.google.com/business/> |
| Microsoft Free Templates (Free) | Invoice, Time Sheet, Social Media post, business card, budgets, schedule etc | <https://create.microsoft.com/en-us> |
| WC MN SBDC Templates |  | <https://westcentralmnsbdc.com/small-bus-resources> |
| Northland SBDC Templates |  | <https://northlandsbdc.org/business-resources/#downloads> |
| SCORE (Free) |  | <https://www.score.org/> |
| Stride (Free) | Milleage Tracker, tax tracking & preparation | <https://www.stridehealth.com/tax> |
| Employee Handbook (Free) |  | the consultant will provide the link later |
| Acuity Scheduling |  | <https://acuityscheduling.com/> |
| Trello (Depends on plan, basic is free) |  | <https://trello.com/home> |
| Legal Corp | Provides free business legal advice | <https://legalcorps.org/> |
| Angel Investment Networks Minneosta | Connecting entrepreneurs with and Angel Investors | <https://www.angelinvestmentnetwork.us/angel-investors-minnesota> |
| SBDCNet | Provides small business research assistance | <https://www.sbdcnet.org/> |
| Canva (Free & Premium) | Online graphic design tool | <https://www.canva.com/> |
| PIXLR (Free & Premium) | Online photo editor | <https://pixlr.com/> |
| Smartsheet (Free/Fee) | Managing projects, programs and process. | <https://www.smartsheet.com/> |
| SHRM (fee to join) | HR Topic & Trending | <https://www.shrm.org/home> |
| Minnesota Secretary of State |  | <https://www.sos.state.mn.us/business-liens> |
| MN Employment and Economy Development |  | <https://mn.gov/deed/business/> |
| Fiverr | Freelance service: logo design, web design, AI, social media etc | <https://www.fiverr.com/> |
| Davinci Resolve (Free/Fee) | Video Editing | <https://www.blackmagicdesign.com/> |
| Placer.AI (Free/Fee) | Analytics to unlock deep insights into locations, brands, and enterprises | <https://www.placer.ai/> |
| Vertical IQ (Fee) | Industry report | <https://verticaliq.com/> |
| Facebook Business Manager | Manage FB ac in one place | <https://business.facebook.com/> |
| WhatsApp | Business platform, business ad | <https://business.whatsapp.com/> |

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**Exploring Today, Predicting Tomorrow**

As SBDC consultants we’re exposed to the world of small business, and we get unique opportunities to deeply connect with business owners and see behind the curtains. In this session we’ll explore what current trends and patterns we’re observing in the small business environment here in Minnesota, and beyond. From there, let’s take our best guesses at what themes, trends, or predictions we have for the future of small business.

* What small business-related trends are you seeing now in 2024?
* How are emerging technologies or socioeconomic factors affecting the small business landscape in Minnesota today?
* How would you describe the Minnesota small business scene to someone from another time or another country?
* What predictions do you have, about anything related to small business by the end of 2024, 2030, or beyond?

**Current Trends in Small Business (2024)**

* **Demographic Shifts**: Aging population, retiring baby boomers, and labor force issues.
* **Business Environment**: Vibrant but difficult due to high regulations and tight credit. Entrepreneurs face challenges with working in their businesses rather than on them.
* **Regulations and Taxes**: Increased government regulations and higher taxes are significant concerns.
* **Emerging Technologies**: Complexity in first steps of tech adoption; a lot of misinformation.
* **Economic Factors**: Coffee shops slowing down, tightening credit, daycare issues affecting businesses, and businesses closing due to COVID-19.
* **Entrepreneurial Activity**: High interest in starting new businesses, though regulatory barriers and understanding different cultures remain challenges.
* **Resource Availability**: Plenty of business resources exist, especially in food-related businesses and food trucks.
* **Cultural and Social Factors**: Lack of family succession in businesses, rural areas still facing unstable high-speed WiFi, and high levels of entrepreneur fatigue.

**Future Predictions for Small Business (2024 and Beyond)**

* **Technological Integration**: Increased use of AI for business assistance, more kiosks, robots, and electronic solutions.
* **Demographic and Social Shifts**: Growth in BIPOC business owners, Hispanic-owned businesses, and more family-owned businesses requiring succession planning.
* **Economic and Market Trends**: More niche small businesses, boutique retail rebound, and a decline in franchises and craft breweries.
* **Regulations and Compliance**: Higher regulations, especially related to climate, federal financial regulations, and online predatory loans.
* **Consumer Behavior**: Shifts towards local collaborations, convenient services, and increased efforts to support local businesses.
* **Industry and Market Dynamics**: More vending machines, healthcare businesses, food-related businesses, and pet-related businesses.
* **Business Models**: More hybrid brick-and-mortar businesses with online presence, expanding services sector, and increased online sales impacting rural downtowns.
* **Innovation and Adaptation**: Emergence of nontraditional ventures, innovative ideas, and increased need for businesses to be flexible to survive.
* **Financial Trends**: Continued mergers, need for capital, and wealth changing hands.
* **Childcare and Eldercare**: Industry crisis anticipated, requiring more resources and support.
* **Local and Global Focus**: Local search optimization, global customer base, and adapting to new purchasing habits.

This summary highlights the key insights and future predictions discussed during our session, providing a comprehensive overview of the small business landscape in

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**Chronicles of Small Business Cybersecurity Implementation**

In the realm of small business, cybersecurity is a well-known concern for us at the SBDC. Despite initiatives like the ASBDC Cybersecurity Taskforce, many entrepreneurs still face threats due to lapses in best practices. This session aims to share successes and cautionary tales, emphasizing the importance of understanding and implementing cybersecurity measures promptly to safeguard small businesses from potential risks now, before it’s too late. Share insights that transform conversations into breakthrough moments of cybersecurity empowerment.

* What big or common myths have you faced about cybersecurity in small business?
* What cybersecurity steps should every startup implement now in 2024?
* What does every 0-3 year old business need to be considering for their cybersecurity strategy?
* What things make a company more at risk for cyberthreats?
* What are some trigger points that should make a small business stop and think about implementing cybersecurity?
* What are the most common cyber threats businesses face in MN today?

1. Importance of Cybersecurity Measures for Small Businesses:

* Phishing Training: Employees should be trained to recognize phishing attempts, stop and think before clicking on links, and verify contact information.
* Anti-virus Programs: Businesses should implement robust anti-virus programs and have IT policies and training in place for all employees.
* Password Management: Use password managers and avoid using the same password repeatedly. Ensure passwords are strong and secure.
* ISO 27001 Compliance: Familiarity and compliance with ISO 27001 standards are crucial for information security.
* Email Segregation: Maintain separate personal and business email accounts to mitigate risks.
* Cybersecurity Insurance: It's essential for businesses to have cybersecurity insurance to cover potential breaches.
* Secure Devices: Lock and protect computers and machines when not in use, and limit access to authorized personnel only.
* Professional Cybersecurity Advisors: Utilize professional cybersecurity advisors to assess and improve security measures.
* Vetting Programs: Implement vetting programs to ensure interactions with legitimate entities.
* Control of Assets: Maintain control over both physical and digital assets.
* VPN Usage: Use Virtual Private Networks (VPNs) for securing critical infrastructure.
* Regular Password Updates: Regularly change and update passwords.
* Cybersecurity Education: Businesses need to be educated about cybersecurity risks and necessary precautions.
* Multi-factor Authentication (MFA): Use MFA to enhance security.
* Hiring Practices: Incorporate cybersecurity considerations into hiring practices, including background checks and employee training.

1. Common Myths about Cybersecurity:

* Myth: Small businesses are too small to be hacked.
  + Reality: Small businesses are often targets of cyber attacks.
* Myth: Only large companies get hacked.
  + Reality: Cybercriminals target businesses of all sizes.
* Myth: Cybersecurity is too expensive.
  + Reality: There are affordable cybersecurity solutions available for small businesses.
* Myth: Antivirus software will protect against all attacks.
  + Reality: Antivirus software alone is not sufficient; comprehensive cybersecurity measures are necessary.
* Myth: Free downloadable antivirus software is sufficient.
  + Reality: Free antivirus software often lacks comprehensive protection.
* Myth: You can simply get a new computer after an attack.
  + Reality: Data loss and breaches can have long-lasting impacts beyond just hardware replacement
* Myth: Small businesses without employees can't get attacked.
  + Reality: All businesses, regardless of size or employee count, are potential targets.
* Myth: Rural businesses aren't targets for cyber attacks.
  + Reality: Geographic location does not provide immunity from cyber threats.

1. SBDC Recommendations for Client Support:

* Data Protection Portal: Develop a portal for secure handling of financial and personal data.
* Cybersecurity Videos: Create and distribute cybersecurity training videos for all clients.
* Client Preparedness: Ensure every client has a clear understanding of the cybersecurity measures they need and provide guidance on implementation.
* Educational Resources: Offer educational resources and training sessions to keep clients informed about the latest cybersecurity threats and best practices.
* Tailored Cybersecurity Plans: Help clients develop tailored cybersecurity plans that align with their specific needs and budget constraints.
* Regular Check-ins: Conduct regular check-ins with clients to review and update their cybersecurity measures.

By implementing these strategies, small businesses can significantly enhance their cybersecurity posture and mitigate the risks of cyber attacks. The SBDCs play a crucial role in educating and supporting small businesses to navigate the complexities of cybersecurity.